



FALL 2002



CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

## HCD MULTIFAMILY HOUSING PROGRAM

By the year 2010, California is projected to gain 3 million jobs, and more than 6 million people, outpacing the rest of the nation in jobs, income, and population growth. According to California Department of Housing and Community Development (HCD) Director Julie Bornstein, "Safe, affordable housing is a critical component to sustaining a healthy economy. However, housing production has significantly lagged job and population growth."



*Oakland Point Apartments before rehabilitation (above), and after (right).*



To help address the State's housing needs, HCD created the Multifamily Housing Program, which provides loans for new housing construction, rehabilitation and preservation of rental units for lower income households. The first of the 72 projects funded through this program have now completed construction and are housing workers and their families as well as seniors, those with special needs such as the mentally ill, disabled, and those transitioning out of homelessness. Projects already in occupancy are listed below:

- Maplewood – Golden Glen, Concord
- Oroysom Village, Fremont
- Villa Del Mar, Fresno
- Courtyard Apartments, Los Angeles
- Harbour Community, Los Angeles
- Heritage Park, Los Angeles
- Kosumosu Transitional Housing, Los Angeles
- New Harbor Vista, Los Angeles
- Sonya Gardens, Los Angeles
- Whispering Pines, Los Angeles
- Oakland Point Apartments, Oakland
- Cascade Apartments, Sacramento
- Home Safe, Santa Clara
- Brommer Street Transitional Housing, Santa Cruz
- Bell Manor, Windsor

One of the first loans that closed during 2000 was the Oakland Point Apartments in West Oakland (featured on this page). Oak-

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*The article below appeared in the Summer 2002 Edition of the East Bay Asian Local Development Corporation (EBALDC) Update Newsletter.*

### West Oakland Renovations Complete

By Sarah Friesema

Residents, community members, and EBALDC staff got together to celebrate a job well done last June to mark the completion of the rehabilitation of 31 housing units in West Oakland. Senior project manager Dave Ryan says, "It's all about residential stability. It's one of EBALDC's key goals and we're trying to make this work in the neighborhood." The project sprang from the desire to preserve and repair historic Victorian wood-frame dwellings, and to save neighborhoods from blight as older buildings suffered neglect, which would eventually make them uninhabitable.

Rehab by a property owner is often a prelude to a sharp increase in rents, forcing unlucky low-income tenants to find another place to live. The Oakland Point Limited Partnership had a completely different objective from the usual landlord's expected return on a property investment - the original low-income tenants would live in the completed rehabbed buildings. This meant a more complicated and time-consuming process of relocating tenants within the scattered-site project during construction. Funding was provided by equity from Fannie Mae, who

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# Director's Message



**Julie Bornstein**

**H**ave you noticed that public interest in housing in California seems to be growing more all the time? Have you noticed more articles in the newspaper and on the TV about housing costs and affordability? Concerns about California's affordable housing crisis are becoming more prevalent to organizations who previously paid little attention to home construction and land use decisions.

The Legislature and the Governor have responded to the deepening crisis by placing a \$2.1 billion Housing Bond on the November ballot. The Housing and Emergency Shelter Trust Fund Act of 2002, (Proposition 46) would fund most of our core housing programs for years to come. But even before housing can be built, the planning and zoning for housing must take place in the local community. Working with local governments to adequately plan and zone for all types of housing is the responsibility of the Housing Policy Development Division at HCD that reviews the Housing Element of the General Plans of each and every city and county in California.

Just as there is a wide range of community sizes and geographies, there is a wide range of community responses to projected population growth. Looking back at population increases in California over the last 50 years, we can expect to add about 5 million new residents every ten years. For the immediate future, it is expected that this growth will be largely *domestic*—meaning the increase of births over deaths. In order for our children and grandchildren, as well as our seniors, to have safe, decent housing they can afford on the incomes of their chosen professions or from retirement, many, many more houses and apartments must be built.

Some communities see the housing crisis as an opportunity to engage their residents in a discussion of how they want to grow and to adopt different types of land uses to accommodate that growth while preserving community character. There is an increased acceptance of higher densities, multi-family housing and mixed-use housing (where retail stores and services are located at street-level and housing is up above) in a number of cities, both big and small. Some communities with limited vacant land are looking at converting existing non-residential buildings to residential use. Our Downtown Rebound Program was designed to assure affordable apartments would be included in this type of project. As a resident of mid-town Sacramento, I can vouch for the easy

living that comes from being able to walk to a variety of services, shops, entertainment, and transit.

Some communities are resistant, however. Emotionally, most of us would like to preserve our neighborhoods and communities as they were on the day we moved in so it is understandable why some want to stop growth. However, just as we can't stop our bodies from growing, attempting to stop our State from growing has serious consequences. The most basic of economic theory tells us that when demand remains strong and grows, while supply is constrained, prices will rise. That's what has happened in California. That's one reason why we have 361,000 homeless people in California; that's why teachers and firefighters, municipal workers, and retail clerks have trouble finding affordable apartments—giving up the dream of homeownership. A community that refuses to plan for growth finds itself with several families living in one home or apartment, job-holders spending hours in freeway commuting and an exodus of sons and daughters who, on becoming adults, can't afford to live in the community in which they grew up.

So—here at HCD we sing the song of planning for growth. As your partner, we play an important part in ensuring additional housing opportunities for the Californians who are here and those who are coming.

Thank you for your essential role to make the dream of homeownership come true for thousands of Californians.

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## *Multifamily Housing Projects continued from page 1*

land Point Apartments is primarily low-income housing. The area has a very high low-income population and provides public transportation, one supermarket and 10 schools nearby.

The 31-unit project varies in size from 1, 2, 3, and 4 bedroom units. The rehabilitation consisted of modernizing kitchens, bathrooms, rebuilding weakened stairs, and porches. Sewers, electrical, and heating systems were also repaired and replaced.

Eligible applicants for the HCD Multifamily Housing Program are local public entities, for-profit and nonprofit corporations, limited equity housing cooperatives, individuals, Indian reservations and rancherias, and limited partnerships in which an eligible applicant or an affiliate of the applicant is a general partner.

**California Neighborhoods newsletter is available on-line for viewing and printing at [www.hcd.ca.gov/news/letters/](http://www.hcd.ca.gov/news/letters/)**



## VICTORY FOR HOUSING

**H**CD Director Julie Bornstein has expressed satisfaction with the recent court's ruling on the Southern California Association of Governments (SCAG) lawsuit against the California Department of Housing and Community Development (HCD). The Director stated, "This is a significant victory for housing. We are pleased the court recognized the state's appropriate role in the statewide planning process that is designed to ensure local jurisdictions adequately plan for anticipated population growth."

A superior court judge in Riverside County has ruled against SCAG and four of its Inland Empire jurisdictions that had brought suit asserting that the state had overstepped its bounds. The dispute revolves around the respective roles of the various layers of government in planning to meet the regional housing needs of the projected population growth and to remedy the shortage of affordable housing. Director Bornstein added, "The ruling acknowledges that every layer of government will have to play its role in developing adequate and affordable housing."

HCD worked with SCAG in November 1999 to identify a regional housing need of 504,758 units for the 7-year planning period of 1998-2005. However, in November of 2000, SCAG attempted to reduce the overall regional target by 66,000 units in order to grant appeals to several Inland Empire jurisdictions that were dissatisfied with SCAG's initial allocation. HCD rejected that reduction, finding it inconsistent with the criteria established in statute and inconsistent with SCAG's share of the statewide regional housing need allocation.

Councils of Government, such as SCAG, are responsible for locally distributing the regional share of need among counties and cities. HCD is responsible for allocating statewide housing needs in regions. SCAG is the largest regional planning agency in the country. Every city and county in California is required to prepare, and update, a housing element as part of its general plan. Critical components of the housing element are the zoning ordinance, residential development, and the ability to meet its regional housing need.

The superior court judge rejected SCAG's request for a Writ of Mandate on August 1, 2002 which would have ordered HCD to accept SCAG's lower statewide regional housing need allocation unit number. In doing so, the judge found that HCD's rejection of SCAG's revised statewide regional housing need allocation set forth "valid and sufficient reasons for such rejection".

**Keep our democracy strong.  
Register to vote by October 21.**

## *West Oakland Renovations continued from page 1*



purchased Low Income Housing Tax Credits through the Enterprise Social Investment Corp. The City of Oakland, the State of California Department of Housing and Community Development, and grants from the Alameda County Lead Based Paint & Prevention Program and the San Francisco Foundation through its 7<sup>th</sup> Street/McClymonds Initiative, provided additional funding, and Wells Fargo Bank financed the construction.

The results have been dramatic. EBALDC received an award from the Oakland Heritage Alliance in December for preservation of historic buildings, and several blocks around Center and 10<sup>th</sup> Streets, Chester and 9<sup>th</sup>, and 9<sup>th</sup> and Wood, are graced by nine restored buildings, bringing safe and affordable housing, community pride, and beautiful architecture to the communities in which they stand. Ryan adds, "EBALDC has done a lot more homeownership in West Oakland, but this is a significant rental piece. Neighbors are coming up to me and thanking me. They're really happy that EBALDC is there."

The renovations didn't happen overnight. Jubilee West rehabilitated the properties in the 1980s, but by the late 90's they required further restoration. EBALDC joined Jubilee West as the senior managing partner to acquire and operate 31 units, committing to maintain them for renters earning less than 60 percent of the area median income. EBALDC is now the lead organization operating the Oakland Point Limited Partnership. Day-to-day management is handled through a contract with Santa Fe Management.

In the 15 or more years since their original acquisition, many of the homes have needed substantial repairs and improvements, including new roofs, modernized kitchens, repairs to windows and bathrooms, and rebuilt stairs. Others have needed new electrical and heating systems, exterior landscaping, security cameras, and seismic improvements.

The opening celebration June 5, 2002 at 963 Center Street, one of the completed buildings, marks an important achievement in historic and architectural preservation and sustainability for West Oakland.

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